

September 14, 2012

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

RE: Notice of Proposed Rule Making (NPRM) Docket Number 11-116

Dear Chairman Genachowski:

As an organization committed to strengthening working families, we are writing to express concern over recent reply comments to the FCC's Notice of Proposed Rulemaking pertaining to third-party billing. Specifically, we wish to address erroneous comments regarding landline third-party billing and its association with "cramming." Each year, millions of Americans use wireline third-party billing to access services that allow them to stay connected in a manner that saves time and money for consumers and small businesses.

In particular, we object to the Federal Trade Commission's reply comment to the FCC's Notice of Proposed Rulemaking, referring to wireline third-party billing as "used almost exclusively by scam artists."

The truth is that while there are thousands of reported instances of cramming annually, this represents a very small fraction of third-party billing charges, considering there are tens of millions of consumers with such charges.

Wireline third-party billing provides invaluable services for consumers and small businesses alike. Hundreds of thousands of minority households rely on third-party billing to make calls to loved ones in the U.S. and abroad. Additionally, wireline third-party billing allows businesses to consolidate multiple services onto a single bill, eliminating overhead and administrative costs, as well as a need to use high-interest credit cards to pay for services. Reduced operating costs in turn keep prices low for consumers. Without third-party billing, these businesses would lose a valuable, cost-effective way to stay competitive.

There is a wide array of legitimate calling services, the billing for which is provided on wireline phone bills, from long-distance and collect calling services to operator assisted calling, among others.

Latinos, particularly those with friends or loved ones living abroad, benefit from wireline third-party billing services. In fact, each year, wireline third-party billing enables more than 11 million calls between the U.S. and locations throughout Latin America. Moreover, Hispanic-owned small businesses grew by nearly 44 percent between 2002 and 2007. This is more than double the national growth rate of 18 percent. Latinos use these legitimate services to reduce administrative costs and overhead, allowing them to save resources, improve customer service and grow their businesses.

We have previously commented on FCC's proposed "opt-in" rule as resulting in unintended consequences for Hispanic small businesses and consumers. We reiterate this concern and maintain that consumers should be protected from phone bill cramming. However, we again point out that not even a substantial fraction of third-party billing can be associated with scam artists.

As you consider your proposed rule, we urge you to take into account the wide array of legitimate services made possible through wireline third-party billing. We further urge you to consider the ramifications for tens of millions of Americans who would see their phone bills increase, as well as the many small businesses that will be hurt by a decision to require an "opt-in" to third-party billing services.

Thank you for your consideration.

Sincerely,



Mario H. López  
*President*